

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
COUNTY OF NEWPORT**

The Town Council of the Town of Tiverton, County and State aforesaid held a Special Council Meeting on Monday, the 2nd day of May 2016 at 6:30 p.m. at the Tiverton Town Hall, 343 Highland Road.

MEMBERS PRESENT:

Council President deMedeiros, Vice-President Chabot, Councilor Lambert, Councilor Mello, Councilor Pelletier, Councilor Perry and Councilor Sousa.

Town Solicitor Anthony DeSisto and Town Administrator Matthew Wojcik were also present.

Call To Order

Council President deMedeiros called the meeting to order with a pledge of allegiance to the flag.

Executive Session

1. Town Solicitor – Potential Litigation – 42-46-5(a) (2) – General Auto Recycling, Inc.

Councilor Lambert motioned to go into Closed Executive Session pursuant to RIGL 42-46-5(a) (2) re: Potential Litigation– General Auto Recycling, Inc. The motion, seconded by Councilor Chabot passed unanimously on a roll call vote.

Council entered into Closed Executive Session at approximately 6:35 p.m.

Council returned to Open Session at approximately 7:12 p.m.

Council President deMedeiros announced action had been taken in Executive Session.

Councilor Perry motioned to seal the minutes of Executive Session. The motion, seconded by Councilor P. Mello passed unanimously.

Councilor Perry motioned to direct the Solicitor and the Town Engineer to act in accordance with the discussion held in Executive Session regarding General Auto. The motion, seconded by Councilor Pelletier passed unanimously.

Solar Energy Development Presentations

1. Memorandum of Marc Rousseau, Town Planner

Town Planner, Marc Rousseau explained there were two companies interested in developing solar energy at the Industrial Park (the Park). Thought it prudent to bring before the Council, an allowed use in the Park under the Floating Overlay Zoning. Potential for a ground lease, payment in lieu of taxes (PILOT), energy savings for the community; with different ways to approach looking for the Council to determine if this should be pursued further.

2. Energy Development Partners - Presentation

Justin Moran and Russ Maymon appeared before the Council for the presentation from Energy Development Partners. Mr. Moran explained this is a local RI company developer of renewable energy; over 30 years of experience; have several projects in RI including Middletown, Johnston and North Kingstown; numerous other projects are in the works. One of the concepts in solar energy is net metering, typically installed on the roof or ground near the load. The control panel draws power from the solar first, flows to the utility then on cloudy days is net metered out. In Virtual Net Metering the solar power has combined load requirements and builds an array somewhere else. That array produces

power, has a meter, goes up to the line and that meter is associated with a monetary credit to all the Town's bills. Energy Development Partners sets up the lease; benefits the Town by leasing the land, the net metering arrangement (power purchase arrangement or PPA) or a PILOT agreement. Presented Mr. Rousseau with a proposal and are interested in a lease on one or several lots in the Park. Councilor Lambert confirmed some of the leasing figures \$156,000 per year for 30 acres, \$281k for 60 acres and \$375k for 90 acres. Mr. Moran explained under a PPA the Town would have an actual number for kilowatt hours; or a percentage off from the net metering credit. There are four main components to the credits: supply, transmission, transition and delivery. The PPA is usually stated for the first year and rises by some sort of escalator for later years

Mr. Rousseau had identified an area of the park with rocks and ledge, will leave the premium land alone. The ground lease would be marginal, it would generate a revenue stream that could be used for sewer placement, makes sense to make this part of an energy park scheme. Russ Maymon believed 30 acres was a good number, rules and regulations have been set forth with a 5 megawatt acre cap for net metering, 1 megawatt goes for 4-5 acres, and so 25-30 acres is a good measure. This proposal went above that; would also be interested in other lots in some areas of the Park. Based on the rate required, have to do more due diligence to look at the ground, the lines and what might be available; would also have to look at the substation. The renewable energy growth program is to incentivize developers to put solar arrays throughout RI; the Grid pays a rate which is determined by the Public Utilities Corporation. It will cost more for rougher terrain, try to keep it where the line runs are shorter. The process can take from 18-24 months for a full time line; actual construction does not take long, mostly time consuming for zoning and permitting. Net metering laws are favorable in RI right now, tax investment credits have been extended for 3 years. There is a federal tax credit where the Town could see a more favorable rate.

Mr. Maymon explained there is a one year lease option once this goes through the permitting process and to get the PPA. The panels are warrantied for 25 years but will last much longer. Efficiency declines in the first 10 years, typically falls at 80-85%, drops .5% per year which is packed into the PPA. A decommissioning bond can be worked into the lease to reverse the land back to the original site. Councilor Lambert suggested contacting the Water Authority to see if they have any land to use. Maymon explained the Town could form a consortium with the Water Authority or another town. Net metering arrangements with the municipalities are fairly new to RI. Councilor Chabot questioned if any other towns were doing net metering. There are arrangements with Central Falls, North Smithfield, Quonset Development Corporation and URI; have others in the works. Councilor P. Mello requested setting up a site visit; Mr. Maymon thanked the Council. President deMedeiros thanked both for the presentation.

3. Kearsarge Energy LP - Presentation

Andrew Bernstein, founder and managing partner explained his company owns the project and does the financing. To date have done over 50 megawatt projects in MA, the one at URI, South Kingstown and Narragansett. Time is of the essence, could have a project up in 12 months. The challenge is National Grid and the interconnection issue. Looking at the numbers there are three components; taxes, lease and taking some of the power for the Town. Know what the market will pay as the financing has changed dramatically; one of the major players has gone bankrupt so it's harder to get financing. The opportunity is here to move quickly; solar has no moving parts, can do tracking systems, little disturbance to the land or neighbors. Can have 1 megawatt on 6 acres, trees would have to be cut back for shading. Have built arrays on landfills and superfund sites; see more towns going to an RFP. The acreage depends on the megawatts; 15mw could be as high as 90 acres. Would have to do a topography study, could fit in nicely. Once it's set it is not easily moved. The EPA and Department of Environmental Protection are looking at groundwater issues; the surfaces are impermeable as there is rechanneling of the water.

Seeing new technology with more high efficiency panels. Pay 1 megawatt for a net acre, have a fairly standard lease, a strong balance sheet. It is a private company. Councilor Lambert questioned what size project could be put in that area and at the Water authority. Mr. Bernstein suggested having bids based on access, would need to do a full study because of the water runoff.

Councilor Chabot noted the Park abuts wetlands and most is in a water shed area; cannot cut down trees. Mr. Bernstein explained the megawatts will be driven by the requirements of the land. Councilor Sousa questioned if the solar panels could be spread around town including the housing area on Hancock St. Mr. Bernstein affirmed it could; the challenge is getting the interconnection with National Grid and the distribution lines. Mr. Bernstein opined it will probably change dramatically in the next two years. Councilor Sousa suggested looking at all the areas in Town, the areas around the schools and the ball fields; opined solar would be best at the Park in the unbuildable areas. Sally Black, School Committee (SC) liaison to the Town Council, explained the SC has been looking at this for some time, and liked the idea of virtual net metering. Cannot put solar panels on the school because the roof needs to be repaired. Mr. Bernstein explained net metering could benefit the Town because of the lease rate. Councilor Chabot questioned what was an off-taker? Mr. Bernstein explained that would be a group who would buy the energy. There are various costs involved including a transaction cost, tax equity and fee construction; it is a complicated market, the interest rate of return after tax is 20%. Tax equity is 30-40%; for example if doing a 10 megawatt, \$25 million dollar project would have \$10 million in tax equity. Towns are finding this is a good way to monetize underutilized land.

Administrator Wojcik was looking for Council direction, spend more time on it, and develop an RFP. Councilor P. Mello noted that Emera was still in the mix. President deMedeiros suggested having the Town Planner look at the open space portion first and go from there. Councilor Pelletier wanted to look at the Park as a whole; don't want to end up cutting it into parts. Town Planner Rousseau explained Emera was looking at 30 acres, wanted to come before the Council in June. Councilor Perry did a quick calculation based on the lease numbers the Town would see \$5.3 million and still own the land. Councilor Pelletier noted a long term lease is like a bond that gets revenue and the Town still has the asset maintaining site control over a long time.

Councilor Sousa, moved, that the Administration will be directed to come back to the Council at its regularly scheduled business meeting May 26 having identified no fewer than two parcels of at least the 30-35 acre range and at least one of which must be in the Industrial Park to discuss with the Council that piece of land. The motion, seconded by Councilor Perry passed unanimously.

ADJOURNMENT:

Councilor Perry motioned to adjourn, seconded by Councilor Lambert. The motion passed unanimously.

The special meeting adjourned at 8:40 p.m.

**A True Copy.
ATTEST:**

Nancy L. Mello, Town Clerk